
File #: 2016-429, Version: 1

City Council

MEETING DATE: 10/26/2016

TITLE:
AB 1600 Development Fee Report

FROM:
Tami Scott, Administrative Services Director

RECOMMENDATION:
Staff recommends the City Council accept the Annual AB 1600 Development Fee Report for the City of Cathedral City, Fiscal Year 2015/16 and adopt a resolution accepting the report concerning certain development fees pursuant to Government Code 66006.

BACKGROUND:

Following the passage of Proposition 13 in 1978, many cities began charging fees on new development to fund public improvements and services. These fees are commonly known as development impact fees. In order to ensure that these fees were spent in a timely manner and on projects for which they were being collected, the State Legislature passed AB 1600 (known as the Mitigation Fee Act). This bill applies to developer fees that are increased or imposed on or after January 1, 1989.

DISCUSSION:

State law (Government Codes 66000 through 66006) requires cities to annually review the status of development fees they collect (otherwise known as the AB 1600 report). Development fees are defined by the State as a “monetary exaction, other than a tax or special assessment, which is charged by a local agency to the applicant in connection with the approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project, but does not include fees such as application fees, building permit fees, etc. The AB 1600 report must include the beginning and ending balances, fees collected, interest earned, other income (if any) and expenditures made for each established fee. The report also identifies the capital projects to be funded by the respective development fees.

To be in full compliance with State Law, the City must:

- Spend or commit development impact fees within five years of collecting them; or
- Adopt a resolution that makes a finding that there remains a reasonable relationship between the current need for the fees and the purpose for which they were originally proposed that is

required to be reported.

Staff has determined that the City currently collects fourteen (14) such fees that are subject to review under State law. The fees are collected as follows:

Project Area	Fee Title / Purpose	Fee
Citywide	Transit Development Fee	\$5.00/lineal foot for arterial streets
Citywide	Traffic Signalization	33.33% of \$150 to \$450 per 1,000 sq. ft. of Building Area
Citywide	Fire & Police Facilities Fund	66.67% of \$150 to \$450 per 1,000 sq. ft. of Building Area
Citywide	Master Underground Plan (MUP)	\$0.15 per sq. ft. of Building Area
Citywide	City Yard Vehicle Storage	Res. \$95/unit; Retail Comm. \$587/acre; Non-Retail Comm./Ind. \$454/acre
Citywide	Police Community Center	Res. \$21 per unit; Retail Comm. \$132/acre; Non-Retail Comm./Ind. \$102 per acre
Citywide	Public Safety Training Site	Res. \$18 per unit; Retail Comm. \$110/acre; Non-Retail Comm./Ind. \$85 per acre
Citywide	Public Safety Facilities	Res. \$570 per unit; Retail Comm. \$3,513 per acre; Non-Retail Comm./Ind. \$2,714 per acre
Citywide	Road and Traffic Facilities	Res. \$987/unit; Retail Comm. \$30,066/acre; Non-Retail Comm./Ind. \$10,165/acre
Citywide	Interchange and Bridges	Res. \$86/unit; Retail Comm. \$4,145/acre; Non-Retail Comm./Ind. \$1,500/acre
Citywide	Bikeways Facilities	Res. \$51/unit; Retail Comm. \$167/acre; Non-Retail Comm./Ind. \$129/acre
Citywide	Trail Facilities	Res. \$53/unit; Retail Comm. \$173/acre; Non-Retail Comm./Ind. \$134/acre

Citywide	Park and Recreation Facilities	Res. \$1,577/unit; Retail Comm. \$5,141/acre; Non-Retail Comm./Ind. \$3,973/acre
Citywide	Art in Public Places	In-lieu Fee is 1% of 90% of Project Valuation

On September 15, 2016, a courtesy copy of the draft AB 1600 report was emailed to the Executive Director of the Desert Valley Builders Association (DVBA) for any questions or comments. DVBA responded that they were satisfied with the report with no exceptions.

The law requires that the City make the fund accounting information available to the public and that a public meeting be held to review the accounts no less than 15 days from the release of that information. Attached you will find the summary.

FISCAL IMPACT:

None

ATTACHMENTS:

1. Annual and Five-Year AB 1600 Development Fee Report for the City of Cathedral City, Fiscal Year 2015/16
2. Resolution accepting the Annual Report and Five-Year Report (Fiscal Year 2015/16) on certain Development Fees pursuant to Government Code 66006 and Making Certain Findings Pursuant to Government Code Section 66001(d)